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Trades Union Congress

Capitalism in the pillory

London

[1923]

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Trades union congress

# CAPITALISM IN THE PILLORY

LABOUR SPEECHES IN SUPPORT OF  
MR. SNOWDEN'S SOCIALIST MOTION  
IN THE  
HOUSE OF COMMONS



*Walter Scott*  
J. R. McDONALD



PHILIP SNOWDEN



*Walter Scott*  
J. R. CLYNES



*Russell*  
ARTHUR HENDERSON



*Barratt*  
TOM JOHNSTON

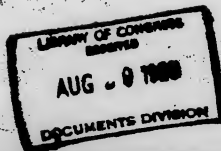


*Taylor, Burgess*  
DAN IRVING

Published by the Trades Union Congress and the Labour Party,  
32, 33, 34, Eccleston Square, London, S.W.1

PRICE THREEPENCE

Socialism, by placing the land and the instruments of production in the hands of the community, will eliminate only the idle and useless classes at both ends of the scale. The millions of toilers and of business men do not benefit from the present system. We are called upon to decide the question propounded in the Sermon on the Mount as to whether we will worship God or Mammon. The last has not been heard of this movement either in the House or in the country, for as surely as Radicalism democratised the system of Government politically in the last century, so will Socialism democratise the industrialism of the country in the coming century.—*Mr. Keir Hardie, moving a motion similar to Mr. Snowden's, in the House of Commons on April 23, 1901.*



# CAPITALISM

## IN THE

# PILLORY

In the House of Commons on March 20, 1923, Mr. PHILIP SNOWDEN moved the following Motion :—

That in view of the failure of the capitalist system to adequately utilise and organise natural resources and productive power, or to provide the necessary standard of life for vast numbers of the population, and believing that the cause of this failure lies in the private ownership and control of the means of production and distribution, this House declares that legislative effort should be directed to the gradual supersession of the capitalist system by an industrial and social order based on the public ownership and democratic control of the instruments of production and distribution.

Mr. SNOWDEN said :—

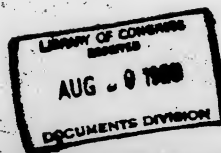
IN moving this Resolution, may I say that we have put it down as a direct challenge to the holders and defenders of the capitalist system. We think it necessary that a subject which has been so much discussed on political platforms throughout the country, and has provided material for the members of other political parties to criticise the Labour Party on their programme, should be a direct issue in this House.

When I put down this Resolution I had no idea that it would excite the widespread interest that it has evoked. I desire to express my appreciation—I had almost said gratitude—to those who do not accept this Resolution for the serious way in which they have received it. It is an evidence of the extraordinary progress which Socialist opinion has made in this country during the last twenty or thirty years. During that time there have been Socialist organisations in this country carrying on a widespread propaganda of the ideals which are embodied in this Resolution. For a long time our platform was confined to street corners and the market place.

It is, indeed, an evidence of the progress in the public mind of the ideals which have been propagated, that to-day the Government of the country so much appreciates the importance of this issue that they are prepared to give Government time to its discussion. It should be so, for the ideas which are held with almost religious fervour by millions of people in the world, ideals economic and social, are those which are going to be the dividing line in the future between the different parties. They should be seriously, reasonably, and intelligently discussed.

If I might, at the outset I would say that I have always tried to give those who differ from us equal credit for their honesty, and for their sympathy for the condition of a large part of our population. Sympathy is not the monopoly of the Socialist Party. We differ, perhaps, not much in regard to the defects of the existing industrial system. Those defects are too obvious to be either ignored or denied. We differ, and I shall proceed on that assumption in what I have to say this evening, as to the best means by which industrial conditions can be improved and social amelioration attained.

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We indict the Capitalist system. It is Capitalism, not Socialism, which is on its trial.

I think I shall carry general agreement when I say that the test of any economic system must be: "Does it deliver the goods? Does it fulfil its functions?" The most able, and almost the only defender of the capitalist system, Mr. Hartley Withers, in his book on "The Case for Capitalism," says that an economic system must be judged by this test: "Does it give the people a good world in which to live?"

I propose to apply that test to the capitalist system: "Does it give the people a good world in which to live?" I shall submit that the capitalist system certainly fails to give the people a good world in which to live, and, as we state in our Resolution, it has failed adequately to utilise natural resources and productive power.

We live, perhaps, in the most wonderful period in the world's history. Mechanical progress, man's command over natural forces, if fully utilised, could increase the productive power of labour 50, 100, 1,000 times over. I wonder if hon. Members of this House are acquainted with Mr. Henry George's epoch-making work, "Progress and Poverty"? If so, they will remember the opening chapter in which he "supposes that a scientist in the 17th Century could have foreseen in imagination the wonderful scientific and mechanical improvements of the 19th Century. What would he have thought would be the result of this industrial change on the life of the people? If he could have foreseen the picturesque and lumbering stage coach superseded by the railway train running at 60 miles an hour; if he could have foreseen our modern spinning machinery with its spindles revolving 10,000 times a minute, and spinning yarns as thin as a spider's web—if he could have foreseen this, what would he have thought it would mean in the way of material improvement and a better social system?"

He might have said: "The dream of Aristotle at last is realised, and man has become free by transferring his chains to machinery."

#### FAILURE OF CAPITALISM

What has happened? Sixty years after the advent of industrialism, a nineteenth century economist said that he doubted if all our labour-saving machinery had lightened the day's toil of a single individual. At any rate, whether we accept that statement or not, we should agree that we have today, in spite of all these possibilities of wealth production, a very large mass of our people working hard, under unhealthy conditions, and for low wages, and a very considerable part of those who would work are unable to work; while, at the other end of the social scale, we have people so rich that even imagination cannot devise means for spending their abundant wealth.

After 150 years of this wonderful scientific and mechanical advancement, that sums up our industrial and social conditions. The capitalist system, therefore, has not given the people a good world in which to live. It has failed, also, to utilise to the utmost those mechanical inventions and those possibilities of organisation. There was published, a year or two before the outbreak of war, a census of production, and I am sure that the results of that must have come as a great surprise even to those who flattered themselves that they were fairly intimately acquainted with industrial and commercial matters. It disclosed that the amount of wealth production, at the end of that century of wonderful advance, represented only £110 per head of the population engaged in productive work.

What is the explanation of that low output of material things? I submit that it is this: The capitalist system, by its method of wealth distribution,

enables a very large rich, idle class to grow up, and their spending power is to a very great extent exercised, not in the support of the staple industries of the country but in the maintenance of unremunerative and unproductive labour.

A great capitalist some years ago published a very remarkable book on that aspect of our social conditions, and he came to the conclusion that at that time, thirty years ago, four-elevenths of the population of this country, who were supposed to work, were unproductively employed, to a very large extent as the servants of rich people, or engaged in some way or other catering for the luxury of those who had money to spend.

I am quite sure that the proportion must be considerably larger to-day. Not only has the capitalist system failed to provide a decent standard of living for those who at any particular time may be in work, but this House is painfully familiar with the fact that we have a fairly considerable proportion of would-be workers who are unable to obtain employment. The capitalist system has assumed the function of managing industry. It has failed to do that adequately or efficiently. We have to-day probably not less—some of my hon. Friends sitting behind me would say more—than 1,500,000 would-be workmen out of employment. How do you defend the system?

**How can anybody defend the system which, while claiming a monopoly of the function of finding employment, is unable to find employment for 1,500,000 would-be workers?**

I know that it is going to be urged in the course of this Debate that there are defects in the capitalist system, but that things are on the mend. I shall have something to say about that before I sit down; but what has capitalism been able to do? I know that the conditions are somewhat abnormal to-day, but they are abnormal as the result of capitalism, because the War, in its final analysis, was due to the international commercial and capitalist system.

#### LOW WAGES

Take the question of wages. We have at this moment a strike in what ought to be the greatest of our industries—the agricultural industry—where men are resisting the imposition of a wage of 23s. a week, worth about 14s. a week at pre-War values. I remember that, during a railway strike which occurred since the War, the Government, out of the tax-payers' money, placarded the hoardings of the country showing the improvement that had taken place in railwaymen's wages, and pointing to the fact that in 1913 there were 100,000 railwaymen earning less than a pound a week. That is after a century of your boasted capitalist system. There you have represented those advantages which the capitalist system has given to the country as stated in one of the suggested Amendments to this Motion.

Again, in the mining industry, as the House has often been reminded during the last few months, you have rates of wages which do not enable the miners and their families to keep body and soul together, wages which have to be supplemented by Poor Law relief. Again, the capitalist system has failed because it cannot keep harmony between employers and workers. There are constant disputes, to the extent of 2,000 or 3,000, in the course of a year.

There is, however, no sphere in which the capitalist system has more lamentably failed than in providing what is a prime necessity of the people, namely, housing accommodation. You have broadcasting; you can listen to concerts held 3,000 miles away. Your intelligence and scientific knowledge can do that, but we have not brought our intelligence to the solution of the primary need of providing for every family a decent habitation.

There was published last night a Blue-book giving the housing statistics at the time of the last Census here in this great city of London. Let those who



defend the capitalist system, let those who boast about the advantages it has conferred upon the people, read the facts there stated. One hundred and ten thousand families in this city living more than two persons to a room! On Census night there were found 616 families which had six people living and sleeping in one room. According to this Report 30 per cent. of the families in London are living in a condition which is described officially as a state of overcrowding.

May I give one word of authority which I am sure will appeal to every Member opposite, for he is one of themselves? He was elected to the London County Council as a stern opponent of Socialism. The Chairman of the Housing Committee of the London County Council says there are no fewer than 2,000 slum areas in London, and he says:

The class of houses required by the working classes will not be built by private enterprise.

Therefore in the provision of this prime necessity, housing accommodation, on the authority of those who disagree with us, private enterprise and your capitalist system have lamentably failed.

Again, what effect have the conditions of work and of life under the capitalist system upon the health of the people? Here I come to one of the most serious items. Every employer on that side of the House will agree that between the best and the least efficient workman, doing the same kind of work, using the same tools or machinery, there will be a difference in the output of at least 30 per cent. How do you explain that? Only by the physical and the mental condition, and the inefficient man is the victim of bad conditions. [Hon. Members: "No!"]

#### HEALTH OF THE PEOPLE

I am amazed that an obvious truth like that can be disputed and received apparently with hilarious shouts. Inefficiency not due to bad conditions in the worse sense of the word—not due to bad housing, lack of education! Certainly they are. Take the health statistics. So bad had the health of the people become that about ten years ago the Government of the day were compelled to give some attention to it, and we had the National Health Insurance Act, and the last Report but one of the Chief Medical Officer of the Ministry of Health stated that in the year under review we lost in the aggregate 260,000 years of labour through ill-health annually amongst those who had insured under the National Health Insurance.

Sir W. LANE-MITCHELL: What has that to do with it?

Mr. SNOWDEN: I am not going to try to instruct a Member who is so ignorant as not to see the obvious.

It proves that the conditions under which these people live, the conditions under which many of them are born, the conditions of their labour are such that it results in enervation, disease, ill-health and consequent loss of life. That is another illustration of the good world for the people to live in and of the advantages which the people have received from private enterprise and the capitalist system!

It is the distribution of wealth which is the cause of these social evils and inequalities.

**Eighty-eight per cent. of the wealth of this country is owned by 2½ per cent. of the population, and five out of every six persons who die leave not a penny behind them.**

The capitalist system—and I include in the capitalist system our land system—has failed to utilise its resources.

Need I say a word about the land? Would it not be sufficient if I referred you to the newspaper report of the interview which took place recently between the Prime Minister and certain farmers? They came to the Prime Minister

to tell him their industry was in a bankrupt condition. Private enterprise and private landlordism have failed, and the only hope for this, which should be the greatest of our national industries, was in Protection (a crutch to inefficiency) or in a State subsidy!

Lord Ernle, who is remembered by many Members of the House as Minister for Agriculture, recently stated that the only Party in this country which has an agricultural policy is the Labour Party, and nothing that I could say would be half so scathing in denunciation of the inefficiency of our agriculture and of our land policy as has been stated by Lord Ernle and Lord Bledisloe, who is also known to Members of this House. So much for the failure of the land system. So much for its claim to give the people a good world in which to live.

Now is it possible, as one of the suggested Amendments appears to claim, without changing the basis of our economic system, to eliminate the admitted defects and evils of the existing order? That question is very often answered by the statement that conditions and wage-earning capacity are improving. That I deny. I am ready to admit that from 1850 to 1874, or thereabouts, there was a progressive, but not very great, improvement in the wages and hours of labour, and also a reduction in the cost of living, and there was an improvement in the social condition of the wage-earning classes. But for a decade before the outbreak of the War the condition of the wage-earning classes had not only been getting relatively, but actually, worse.

The standard rate of piece wages in the greatest of our manufacturing industries, the Lancashire cotton trade, in 1908—the reason I give that year is that the Board of Trade issued a Report giving these facts—was exactly the same as in 1854. What about the increase of wealth during that period? In 1918 the amount assessed to Income Tax under Schedule D was twelve times more than in 1854. Twelve times more!

Let hon. Members remember what I have just said, that there had been very little improvement in the wages of the wage-earning classes in that period. For ten years prior to the outbreak of War the wages had either remained stationary or had declined. Between 1874 and 1908 the mean increase of wages, that is, taking all the industries, had been under 10 per cent. Between the dates that I have mentioned, the amount taken very largely by incomes received by those who made no contribution to labour for those incomes, had increased by twelve times.

#### UNRESTRAINED CAPITALISM

On these facts we are not justified in saying that under this system of capitalism we can expect an improvement in the condition of the masses of the people. There has been some improvement, I admit, and I specially wish to impress this fact upon the House, that we are not living to-day under a capitalist system which is wholly free and unrestrained. We had an unrestrained and free capitalist system in the early part of the 19th century with this result, that little children of from five to six years of age were set to work in factories, and tubs of water were kept handy in which to dip them when they fell asleep. [Hon. Members: "Oh!"] Women were employed in the coal mines. All these facts have been proved in evidence given before Royal Commissions whose reports are to be found on the shelves of this House. This was the glorious time of unrestrained capitalism.

The conscience of the nation was outraged, and capitalism was restricted. Any improvement that has taken place in the condition of the people since those days has not been due to what capitalism has done. Capitalism has done nothing to make a good world for the people to live in.

The improvement has been brought about by the application, partially, of the principles of Socialism, which we are demanding to-night shall be more fully applied to the affairs of the nation.

I can remember that when I began my career as a Socialist agitator the subject upon which we were always questioned was the value of competition. There were always people who were prepared to defend the virtues and advantages of competition. We do not hear so much of that to-day, because capitalism itself has confessed that competition is not a good thing for itself. What has been the result? The opportunities for private enterprise and private interests are passing away; they are being narrowed down by the creation of trusts. Competition contains within itself the germs of its own destruction. The creation of trusts shows the admitted failure of the capitalist system as we have known capitalism in the past.

#### DOMINATION OF TRUSTS

I was speaking to-day to a very well-informed American, and he told me that there are twenty-six States in the American Union which are wholly under the domination of two or three great trusts, which control everything from the railways to the growing crops and the cattle on the ranches. The view used to be held that a trust was a thing that flourished only in the United States of America; but one cannot take up a newspaper in this country to-day without seeing in the financial pages an announcement of some financial combination or other. These things are a confession of the failure of competition.

It is no longer a question of whether we shall have trusts or not. There are, I admit, great economic advantages in trusts; but there are also dangers for the community. A trust, if it be efficiently-organised, well-managed, and not over-capitalised, as a great many of them are, can undoubtedly produce more cheaply. It eliminates all the waste of competition. When these trusts are privately owned the economic advantages go, not to the community, but to increase the profits of the people who own the capital invested in the trust.

What is the deep, big root of all these things? I was invited by a garrulous hon. Member sitting below the Gangway to tell him our remedy. I will tell him, but before you can prescribe a remedy you must know something of the nature of the disease. The cause of this disease, as is indicated in my Amendment, is to be found in the private ownership and monopoly by certain individuals of land and the instruments of production. May I quote an economist of the 19th century, who sat upon the Benches of this House, who said that the deep root of the evils and inequalities which fill the industrial world is the subjection of labour to monopoly?

There seems to be an impression abroad that the capitalist system as we have known it since the industrial revolution is a thing that was ordained on the morning of creation and destined to last to the crack of doom. I would advise any hon. Members who entertain that idea to take a very elementary course in economics, and to buy some cheap primer dealing with the evolution of human society.

**By far the greatest time that man has been upon this globe he has lived not under a system of private enterprise, not under capitalism, but under a system of tribal communism.**

It is well worth while to remember that most of the great inventions that have been the basis of our machinery and our modern discoveries were invented by men who lived together in tribes.

The present industrial system is one stage in economic and social evolution; and just as previous social and economic systems have disappeared when they have fulfilled their functions and have been succeeded by a higher form, so the present capitalist system will pass away and is passing away, consciously passing away, before the eyes of every man who has sufficient intelligence to read the signs of the times.

How is this monopoly which I have described responsible for the evils which I have indicated? Take land. A man must have access to land, and land being owned by certain individuals they possess the power to say whether any other individuals—landless men—shall have access to the land or not, and they also have the power to say, and do so in effect, that these men shall have access to the land only on the terms which the landlord dictates, and the terms he dictates are that all which the land produces above just sufficient to keep the cultivator of the land alive shall go to the landowner in the form of rent.

In the same way under the capitalist system it is not possible in these days for each individual workman to own the tools with which he works. The amount of capital required to-day is so large as to be altogether beyond the power of any workman to produce it. It is suggested in one of these Amendments that every workman should become a capitalist. Suppose a worker succeeds in saving £200 or £300, let him start business as a chemical manufacturer in competition with Brunner Mond, and he will very soon get all the advantages of capitalism, and have opened to him the avenues of private enterprise!

#### SOCIALISM AND BOLSHEVISM

Hon. Members ask what do we propose. We propose no revolution, and we do not propose, and I certainly always will resist, any proposal of confiscation. It is the longest way of obtaining your object, and the certain way to disaster. There is no analogy between Socialism and Bolshevism. Socialism and Bolshevism are antitheses. I hope that hon. Members will forgive me when I tell them that Bolshevism, both in its political theories and its practice, and in its ideal of dictatorship, is not Socialism, but die-hard Toryism. The die-hards in this country have always tried to obtain the fullest political dictatorship, and they have succeeded for many centuries. The records of English history show abundant instances in which the dominant class expropriated the property of others for their own advantage.

There are three or four ways in which we have been dealing with the capitalist system, and all we suggest is that we should continue on these lines, but move much more rapidly. We are not advocates of confiscation or of resort to force, and though I am speaking for myself, I think I shall carry the approval of all members of my Party when I say that we want no further step forward until the previous step which we took has been justified by its success.

We have been moving forward in many directions. We have been restraining capital in a thousand ways. What are the two or three Bills which are now before the House but very moderate and inadequate ways to deal with the failure of the capitalist system? Again and again the representative of the Government is compelled to step in to do something to supplement that failure and supply what private enterprise cannot supply. The state of agriculture is compelling the consideration of the Government. Private enterprise and private landlords have failed.

**The whole of the business of this House is dealing with the failure of private enterprise.**

We move slowly and reluctantly, but we are compelled by necessity. We have been driven farther and farther.

We began by simply restraining private capital, giving franchises to private capitalists on certain conditions, but that was not sufficient. Then the community were compelled to take over big enterprises, and hold them and work them. I do not know the exact figures, we have not had them recently—but the amount of capital invested in public enterprises in this country cannot, I think, be very short of £1,000,000,000. There is hardly an enterprise in which Government or municipalities are not engaged.

I know that conditions have been abnormal during the last eight years, but take the facts as they were before the outbreak of war. Municipal enterprise stood head and shoulders everywhere above private companies and private enterprise engaged in similar work. [Hon. Members: "Nonsense!" and "Yes!"] When Sir Eric Geddes, the business man of the Government, stood at that bench two years ago, introducing his Transport Bill, he said that the only bright spot in the transport system of the country was the municipal tramways.

Then housing was formerly regarded as sacrosanct, a specially protected privilege of private enterprise, but when the right hon. Gentleman the Member for West Swansea (Sir A. Mond) occupied the position which is now held by the right hon. Gentleman the Member for Ladywood (Mr. N. Chamberlain) he carried out an innovation. I assure the right hon. Gentleman that when the Socialist State comes into being he need have no fear, because his great abilities, his wonderful mental capacities, and his great organising skill will find abundant scope for their activities in organising Socialist enterprises.

#### STATE ENTERPRISE

Let us see what the right hon. Gentleman said. Speaking of the work of his Department in erecting State buildings, he stated that at Richmond the Department had built houses. His price was £1,000; the contractors' price was £1,400. In another case that he quoted his cost was £900, including overhead charges, the lowest tender received was for £1,638. Then he went on to say that by direct labour he was saving from £300 to £600 on each house. Speaking of other State building, the right hon. Baronet added:

It has been done at a lower rate than any private firm could be expected to do the work for, because they have to make a profit and we do not.

Hitherto the Government's attempts to supersede capitalism and private enterprise have been made reluctantly and hesitatingly. What we ask is that it should be the conscious policy of government, and that the Government's energies should be directed, by legislative and administrative acts, to bring about that result.

I gather from some of the newspaper comments which I have seen upon this question that the impression appears to prevail in certain quarters that this is a new departure on the part of the Labour Party. Some of the newspapers say of the Labour Party that at last it appears in its true colours. May I tell hon. Members that it is thirty years since the Trades Union Congress, usually regarded as a very conservative body, passed a resolution urging the socialisation of the means of production, distribution and exchange. If hon. Members opposite would only prepare their case before they criticise the Labour Party; if, for instance, they had read the election manifesto which the Labour Party issued at the last election, they would see that the first statement there was a declaration almost identical with the terms of this motion.

As a matter of fact, it appears in the written constitution of the Labour Party. Therefore we stand for this, and we do not apologise for it.

If hon. Members opposite think they are going to make party political capital out of this adventure of mine, they are grievously disappointed. They have done all the mischief they can by branding the Labour Party as a Socialist and Bolshevik organisation, and the result is that I have seen the Labour Party in this House grow from four to 144 members.

This, then, is our policy. It matters little from one point of view what is the fate of this Resolution. We shall continue our work, and we shall do it conscious that, as Mr. Gladstone once said, standing at that Box—he was speaking on a mere political issue—the great social forces which for ever move on in their might and majesty, and which the tumult of our debates cannot for more than a moment impede or disturb, are on our side, and we shall continue to work in harmonious co-operation with them, certain that some day there will be established an economic and social system where individual ambition and private enterprise will find their satisfaction, not in the amount of tribute they levy on their fellows, but in the greatness of the service they render to them.

#### MR. TOM JOHNSTON

Mr. JOHNSTON, in seconding the Motion, said:—

I trust that we shall have many opportunities in this House of debating the positive proposals which the Labour Party makes for the supersession of the capitalist system by the co-operative commonwealth for which we stand. But to-night, as the last speaker said, it is not Socialism that is on its trial. We are challenging the capitalist order of society. We challenge the capitalist system under which normally and inevitably, and not as the result of war, millions of our fellows are condemned to misery and hunger and starvation in the midst of plenty.

The late Sir Henry Campbell-Bannerman, long before the War, declared that there were continually in this country about 12,000,000 people living on the verge of starvation. That figure has increased since Sir Henry Campbell-Bannerman made the statement. Probably to-day one-third part of our population is living on that verge of starvation, and fully one-half of the population is without the creature comforts, without guarantees of security, lacking which the full and adequate development of human personality is absolutely impossible.

What is the capitalist system about which we and hon. Members opposite talk? A comparatively small class of the community own and control the land and the industrial capital of the country. The great mass of the people hire out their labour, sell themselves by the week, by the month, or by the year, to the owners of the land and industrial capital. When workers by hand or by brain are not required, when they cannot find an owner, they are set adrift to starve or to live more or less precariously upon the doles supplied by charitable and State agencies. When they are at work their labour power is bought at competitive prices in a competitive market, for wages which are meagre and insufficient to enable them to accumulate reserves for the periods of unemployment. It follows clearly, I think, that the workers cannot buy back the full social value of the goods they produce.

**Markets are speedily glutted and when the markets are glutted the workers are sent out to starve.**

You continue to have periodically what you call "crises" in which you have the spectacle of people starving in the midst of a superabundance of wealth.

You have that to-day; you have in this country a glut of potatoes. There are some parts of the country where the farmer runs his plough through the potatoes because it does not pay him to harvest them, and a few miles away hundreds of people, colliers perhaps, are starving for want of potatoes. We read in another day's newspapers of fishermen throwing overboard huge catches of fish in order to keep the scarcity market, and at the same time you have hundreds of thousands of people in the country starving for want of fish.

The result of all this was made patent by your Ministry of National Service during the War when it reported after a military examination of the adult males of military age in this country, that three out of every nine were physically unfit. The worker is divorced from the control of the machine. The creative impulse, the genius among workers for the devising of new processes is crushed by the capitalist system.

The worker to-day regards labour-saving devices as being indeed labour-saving devices, because they mean speedy unemployment for him or his. I think it was John Stuart Mill, already quoted by the hon. Member for Colne Valley (Mr. Snowden), who said:

It is questionable if all the mechanical inventions yet made have lightened the day's toil of a single human being.  
No invention shortens the hours of labour, as it would do in a sane social order.

#### IF WORK WERE ORGANISED . . .

Invention to-day but adds to the toll taken by the owners of land and industrial capital. Thomas Carlyle saw what the capitalist system meant to the working classes when he said:

Our successful industry has been hitherto unsuccessful. In the midst of plethora plenty the people perish.  
John Ruskin saw too when he said:

Our cities are wildernesses of spinning wheels, yet our people have not clothes. Lord Leverhulme sees it when he puts his name to the statement that if our society were properly organised as it could be organised now, one hour's labour per week would be sufficient to enable us to maintain our present standard of comfort. In his preface to Professor Spooner's book "Wealth and Waste," Lord Leverhulme writes:

It is said—and articles by Professor Spooner in this book go to prove it is true—that owing to our waste of labour through bad organisation and our bad use of the forces that nature has placed within our reach, we can to-day by overwork and overstrain in workshop and factory for 48 or more hours per week, barely produce sufficient for our needs, whilst we might with the means science has already placed at our disposal and which are all within our knowledge, provide for all the wants of each of us in food, shelter and clothing, by one hour's work per week for each of us from school age to dotage, thus clearly showing what can yet be accomplished simply by the avoidance of waste.

The hon. Member for Colne Valley quoted words used in this House by the President of the Federation of British Industries. I have another quotation from him. His authority will surely be accepted by some hon. Gentlemen opposite. Sir Eric Geddes says:

In the past, private enterprise has made for development, but to-day I think I may say, it makes for colossal waste.

That is the testimony of the President of the Federation of British Industries—that private industry stands for colossal waste.

There is one other aspect of this private ownership of capital to which I should like briefly to draw the attention of the House. As long as the nation has no control over private investments of capital we shall have the spectacle of finance capital being exported from these shores abroad. Last year, according to the figures in *The Statist*, there were exported from this country £147,000,000 of British capital for investment abroad. [Hon. Members:

"India!"] Yes, India. Cheap labour, to compete with the higher-paid British worker, and to bring him to the level of the Indian coolie. In many cases it is the owner of the jute works in Dundee who owns the jute works in India. They are using that export of capital to India to create a new cheap labour reserve, to be used for breaking down further the standards of life of the common people of Great Britain.

Is there any hon. Member who was in the last Parliament, or the War Parliament, at any rate, who will deny that it was frequently stated in this House, and frequently proved, that big blocks of British capital had been invested in enemy countries—at Fiume, for example, to build torpedoes? Those torpedoes were used in the Mediterranean to sink British ships and to send British soldiers to their doom. Is it denied that British private capital fortified the Dardanelles against us, and caused the deaths of hundreds of thousands of Anzacs, and hundreds of thousands of British Tommies? Is it denied that during the War, while it was yet in progress—at least, it was frequently stated in this House—pepper was exported not to enemy countries, but to countries adjacent to enemy countries, whence it was carefully re-shipped into the enemy countries for the manufacture of tear-shells to break our soldiers on the battlefield?

Is it denied that during the War our exports of tea to European lands adjacent to Germany more than doubled? Is it denied that that tea was shipped into Germany, and that our home price of tea against the soldier's wife and child, and against the British worker, was raised to 4s. a lb. because you let your tea market, your tea finance-capital be operated by private interests for private profit?

The private ownership of capital, the exploitation of British industry for private profit, has assisted, at any rate, in the paralysis of British agriculture. The Scottish farmers sent a Commission of Inquiry to Denmark in the years before the War. I wish my agricultural friends on the opposite benches would study the Report of that Commission. There was not a Labour man on it, but the Commission came back and signed a Report declaring unanimously that the transit rates on the State railways of Denmark were less than one-half the rates on the private-enterprise railways of Great Britain. The late William Ewart Gladstone declared in this House that the Belgian State Railways ran goods at less than one-third of the cost of our private-enterprise railways.

#### COLOSSAL WASTE

Some hon. Members will have read the Report of the Coal Conservation Committee of this House. It is in the Library. What do they find there? They find that there are 4,000,000,000 tons of coal—barrier coal—in this country which cannot be mined because it is under private enterprise and dividing private property. Let us say that 3,000,000,000 tons of it could be mined. That is waste—colossal waste. In that Report the Commissioners declare that if, as a nation, we but built electricity stations in our coalfields; if we distributed our electricity in an economical and businesslike way, and smashed up the hundreds of silly, little, petty concerns, which are presently strangling our electricity supply, and are making huge profits in the course of it; if we organised our labour supply—again, there was not a Labour man on that Commission—we could save £100,000,000 and 55,000,000 tons of coal per annum on our electricity supply alone.

I should like to draw attention to a quotation from a well-known weekly financial review, *The Statist*. In a leading article on January 25, 1919—after the War—it says that our whole system of production is bad from beginning to end. We require:

A complete overhauling of our economic system. We want the whole land of the country to be used economically, not to be kept for the delation of exceptionally rich persons.

Under capitalism our production is bad and our production is low, as the hon. Member for Colne Valley said, but our distribution is infinitely worse. Even as it is, we have learnt how to harness the tides; we can guide the lightning; we can send wireless messages across the heavens; we can plant one grain of wheat in the bosom of old Mother Earth, and she yields us 1,300 grains in return. All the knowledge, all the skill, all the technical processes of the past are at our disposal to-day. We press a button or we turn a wheel, and commodities by the thousand and the hundred thousand pour forth at our feet; yet we cannot distribute them. There are people to-night starved in the midst of bulging warehouses. There have been unemployed in Leicester, and the children of the boot-workers going barefoot when the boot markets were glutted. In the cotton and wool towns the children go ragged where the warehouses are full, and to-night you have got the spectacle of agricultural labourers starving in the midst of a glut of foodstuffs.

That is the system you have to justify—starvation in the midst of plenty, hunger in the midst of a super-abundance—and that is the system that we on these benches challenge.

### MR. J. R. CLYNES.

*The debate was resumed on July 16, 1923. Sir John Simon was the first speaker called upon.*

Mr. CLYNES said: I listened to the close of Sir John Simon's speech with the reflection that, if that be the whole case against the Socialistic doctrines of the Resolution which is now before the House, those doctrines are likely to prevail long before many of us thought would be the case. My right hon. Friend admits that conditions as they are are deplorably bad, but he asks that we should not attach blame for these evil results to the system from which they have been inseparable. We allege that they are the products of the system, that they are its inevitable result. My right hon. Friend points to the progress which, as compared with some generations ago, the people of to-day are now enjoying. So far as any progress at all has been attained, it has been reached, not as the result of the system, but in spite of it. The spokesmen of the system have on every occasion resisted every attempt to lighten the load of labour, to raise wages or the standard of living, to reduce hours, or to give a higher level of security in employment in the workshops of Britain.

Progress! The truth is that we have never had a larger number of unemployed and helpless persons in this country than we have now. Taxation was never heavier, and the miner's pay, as was proven in a long discussion in this House only a few days ago, is really below the level of pre-War days. The right hon. Gentleman alleges that there can be no such thing as a gradual change in our social structure, that, if the doctrines of this Resolution be applied, they must be applied, so to speak, in the lump. He finds no consolation in pulling down the house brick by brick. If it could be said that the capitalist system were one structure, there would be something in the simile; but capitalism is an aggregation of a thousand separate and different things.

**It is idle to say that the course we are proposing corresponds to that of destroying a structure brick by brick or stone by stone.**

What is the test by which any system should be judged. The test should be the results, and, if we have nothing else on our side in this controversy, we have the facts on our side. It is, indeed, out of those

facts that a Resolution like that which is now on the Order Paper has grown. We have a measure of undeserved poverty unparalleled in the history of this country. We have that poverty side by side with enormous unearned riches enjoyed by a favoured minority of the community. We have a state of hopelessness and insecurity on the part of millions of wage-earners which at times expresses itself in manifestations of anger and revolt; and the most industrious of the community often find themselves to be the worst treated portion of it. I have not before me the figures given in the last Report of the Ministry of Health, outlining in detail, so far as statistics can express it, the appalling list of paupers being publicly maintained and merely kept alive within this so-called prosperous Britain, but let any hon. Member go now and consult the pages of that book, and come back and find something to say in support of the system which produces those results.

I repeat that reform has been resisted, and that betterment has only been obtained as the result of pressure and agitation by those who groan under the system and have insisted that it should be modified. Indeed, the measure of our progress has been the measure of the triumph over the system itself. We have, in fact, in these days, a Conservative Government driven, concession by concession, to try to save some fragments of the system by applying to it, in a more or less misplaced form and in improvised doses, pieces of Socialism such as are referred to in the Resolution. Agriculture has to be propped up with provisions of national aid; houses can only be built by means of public subsidies; private trade must rely very largely upon public guarantee to provide the money, or the interest upon it. It is, therefore, through the medium of misplaced instalments of Socialism that many of the outstanding features of this capitalist system are now sustained.

### A CEASELESS SCRAMBLE.

There is a ceaseless scramble for the share of the product of labour—I mean the product of all forms of useful and sustained service, the labour of hand and brain. That scramble finds its expression in industrial conflict and quarrel, inflicting on the community at large, inevitably, a great degree of loss; but, so far as there have been serious disputes since the year 1919 in this country—such, for instance, as the dispute, unhappily not yet settled in connection with dock labour—they have been due to very natural resistance on the part of the workers in order to maintain their life standard and to prevent reduction of their wages. Wasteful as these conflicts are, they are certain, so long as the system lasts as we now have it. Why are they certain?

**Because manual work is more degraded than dignified.**

It never, indeed, did stand where it ought to have stood in point of respect or pay. Indispensable service has been made unattractive and a state of industrial slavery has been imposed upon many who have had to perform manual toil. We have had to try and rescue millions of the sweated workers of Britain by setting up Trade Boards by means of Acts of Parliament, and raising them to a higher level. The tipster's clerk is better paid than the skilled engineer, the fully employed miner or the locomotive engine driver. So long as you have conditions which place your more indispensable manual workers in a condition of slavery your system cannot possibly stand. It must give way to the more enlightened aspirations referred to in the concluding portions of my right hon. Friend's speech. The right hon. Baronet the Member for West Swansea (Sir A. Mond) began his speech in our previous Debate by alleging that my hon. Friend the Member for Colne Valley (Mr. Snowden) in his attack on the system had not

attacked capitalism. He had attacked civilisation. I am glad to have the admission that capitalism and civilisation are things apart. They always were. The right hon. Gentleman alleged that those who possessed wealth had it as the reward of industry, thrift and ability. The truth is that the ablest, the most thrifty and the most industrious men in this country have not died rich at all and are in the main men of comparatively moderate means. Money is to be made, not by thrift, not by personal industry, and not even by the application of personal ability. It is in the main to be made by seeing that you get yourself in the position of being able to make others use all those attributes in your interest.

#### INDIVIDUAL INITIATIVE.

It is alleged in the Amendment on the Order Paper that the principles of the Motion would abolish private interest and would deprive the State of the benefits of individual initiative. The truth is that individual initiative is part of that quality of genius which does not depend upon personal greed for its expression. If what is said in the Amendment were true we should have to ask one or two questions of Sir Alfred Mond as to what he did while serving the State at the Ministry of Health. Did he lack all initiative because he was a State servant? Was it that he was thinking of private interests solely in the course of his public services? Can it be said that men like, say, Lord Leverhulme and Mr. Ford, to mention two quite different but still typical representatives of the great captains of industry, if placed in the position of being State servants could in the nature of things exhibit less genius and individual initiative and organising capacity than they have shown already in the conduct of trade and business? Would anyone allege that the Postmaster-General is incapable of showing qualities of high administration and initiative for the reason that he is the largest public employer in the country?

A large number of captains of industry were brought to the aid of the Government in the national interest during the years of the War. Would any one of these men admit that he would serve the country less well if required, in times of peace, to put the national interest before his own? Would he carry the plea of selfishness so far as that? If so, how could such a man reprove, say, a selfish workman for doing as little as he could and getting as much as he was able? Although great business men, organisers and managers have found a stimulus in the competition which their enterprises have provided, they would find a driving force in co-operating for the national advantage if that advantage were raised to its proper level within a remodelled social system.

**Who is a good patriot? Surely he who wants property not for himself but for his country.**

Is the country to possess nothing but the National Debt? The truth is, that it now owns little else. The right hon. Baronet the Member for West Swansea made this extraordinary statement:

The idea that you can make money out of labour is one of the greatest fallacies in the minds of a certain number of economists.—Hansard, March 20, 1923.

If that be true of economists, it is not a fallacy of employers. Money cannot be made out of anything else than labour, in one form or another, but you can make little money out of your own labour. The resourceful pioneers who began the great works in Northwich, to which the right hon. Baronet made reference, could not have carried their theories or their genius a yard had it not been for the ordinary manual labour which they had to employ—labour which has grown from a very small group into

very many thousands. While I and my colleagues want to give the brain worker, the inventor, the captain of industry, and the director the best of rewards in point both of pay and thankfulness for his services, I ask him, as representing that class, to be a little more considerate to the bottom dog and to think more of every large mass of citizens who, though working, still possess the same attributes of human nature as do the employing classes themselves.

I cannot imagine what joy, if joy at all be got out of it, can be derived from the sight of this huge mass of misery that we see before us in every large town and city. In a series of rhetorical questions the right hon. Baronet asked, "Would Socialism terminate every one of the evils which abound in our country?" I conclude that a similar questioning frame of mind possessed the right hon. Gentleman (Sir John Simon) who last spoke. We answer and say that all the evils which are inherent in the system would certainly disappear with the disappearance of the system itself. It is not proposed to reform human nature only in so far as human nature itself would be assisted towards reform by reformed conditions, by placing human beings in better surroundings, by giving them things upon which they can co-operate, by making life less of a struggle, less of an internal war and conflict and more of an effort for the common elevation and advance of all who are concerned.

#### TRAGEDY OF UNEMPLOYMENT.

Little has been said in the course of either of these Debates as to one of the greatest evils inseparable from this system so long as in any degree it lasts. That is the evil of unemployment. Even now, if the unemployed were put in processional form, they are so numerous that they would stretch almost from Westminster to Northwich. It is no answer to say it is all because of the War, for, though not in like degree, we had in kind, manifestations of unemployment which were heartrending long before the War began. It is admitted, indeed, that only on rare occasions, occasions of booming trade, can the system as it is find appropriate places for its masses of workers, and no system can stand which shuts out vast numbers of men and women from the opportunity to serve.

I ask hon. Members what can be said for a system which gives to Britain the costliest workhouses in the world, which leaves our hospitals dependent on charity, and which subjects millions of wage-earners to a level of subsistence lower than that of prisoners and paupers. What can be said, again, of a system in which hardened judges and magistrates in Divorce Courts and in County Courts have openly condemned the shameful parade of luxury and waste? What is to be said for a system which crowds into unlovely dwellings millions of the most indispensable sections of the population? Capitalism cannot even supply the necessary number of the humblest homes for the best of our manual workers. It cannot feed nor clothe them.

**Our prisons and our public lavatories are better built than the dwellings of the millions of the poor.**

True indeed, as has been admitted, there have had to be many modifications of the system, else it could not have withstood the attacks made upon it long before even there was an organised Labour Party. The system has been modified, not merely by Act of Parliament—by that form of compulsion which the law exerts upon those who have used the brutalities of the system for their own selfish ends. The co-operative movement and the management of the interests of large portions of the community have gone far to modify the evil effects of this system. There have been and there are still millions of money invested in municipal and



State property for the common benefit. These have exerted a beneficial and steady influence upon even the capitalist system itself. So I allege that the working of many State Departments, as for instance in the case of our national dockyards, the postal and telegraphic service, the working of a great system of transport through publicly-owned conveyances and tramways, public services expressing in terms of capital wealth many millions of pounds, have made a contribution to modifying the severities of the capitalist system.

**Unchecked capitalism would be absolutely unbearable. Human standards have been procured in spite of it and not through its aid.**

Take one or two instances of our wasteful system in those smaller matters which are more readily understood, and come closer to us in our daily experience. There has been issued in the past few days a Government Return explaining how, for instance, fruit, vegetables, and so on finally reach the tables of the consumers. That Report gives instances where the difference between the amount received by the producer of the commodity and the amount at which the article is retailed in the shop is a difference of between 300 and 400 per cent. in many instances, and I was interested to read this in a leading article in *The Times* of 23rd June:

After the railways we have the middleman, or rather the middlemen—for occasionally there are as many as six of these intermediaries interposed between the grower and the consumer. Then comes the market—in the case of London, Covent Garden market. In no other market in the country is the accommodation so deficient and the congestion so acute. The market is owned by a private company which has not set itself to make the necessary alterations.

Where goes the difference between the pithead price of coal and the amount paid by the consumer? At the pithead you pay 18s. per ton; it is retailed at 45s., or more.

**REAL WASTE.**

It was not a Socialist who suggested the nationalisation of the mines. It was Mr. Justice Sankey who condemned the waste of human energy in the coal industry and recommended nationalisation. It was not a Socialist, but Sir Eric Geddes, who denounced the absurd and uneconomical system of working our railways. Something has been done, in face even of the anger of a Coalition Parliament, and the discontent of a British public, to improve our railway system, and it has been saved by a semblance of Socialism, and by conditions of compulsory co-operation, which now oblige the companies to work more or less in common. It was Mr. Churchill who, at the end of 1918, announced to the country the Government's intention to nationalise the railways, but, of course, it was Mr. Winston Churchill and his colleagues who speedily surrendered to the pressure very soon exerted upon them when the vested interests got busy after that public announcement. As to shipping, there are, I believe, hon. Members in this House who know from some personal experience how notorious are the examples of exploitation in the case of the shipping services of our country. In short, if we take only these three great national necessities to which I have just referred, we find that under this system it is certain that there will be regularly produced millionaires, misers and paupers. They are inseparable from the system.

Here is a piece of paper torn recently out of a capitalist newspaper, *The Daily Express*, containing a contrast to which I invite attention.

**HOW THE POOR LIVE.**

"I am starving, and cannot pay my rent," said a woman at Whitechapel County Court yesterday.

The Judge: It may be that you are, but you cannot live rent free, so you go in seven days.

Another woman in tears: What am I to do with my poor babies if we are turned into the street?

The Judge: I have nothing to do with where you go, except that you must go in seven days.

The woman left the Court, crying bitterly.

In the next column we have figures, dates and particulars of one family in Britain in which seven millionaires have died in succession. It will, no doubt, be alleged that that singular number of seven was accounted for by thrift, industry and ability. Nature, I think, cannot be said to be so bountiful as that in any one family, and the possession of such enormous sums is traceable to the favoured position in which property owners and landowners find themselves in industrial England.

We, therefore, say that we are not on the defensive in support of this Resolution which we have deliberately placed upon the Order Paper. It is those who oppose this Resolution who must justify capitalism in face of the results which we are able to show. I agree that if any date as to when capitalism began can be fixed, it began a long time ago. Indeed, I believe it started so far back that it can be said truly that it did not come out of design; it was not a plan, an ordered, deliberate arrangement of an educated community. It has simply happened throughout the ages. It has grown up, and we are only now beginning to realise it for what it is. Men thought it had to be, because it always had been. We no longer accept that doctrine in respect to anything.

**PRELIMINARY CONDITIONS FOR SOCIALISM.**

There are three conditions inseparable from a state of Socialism. One is the assent, if not the eager acceptance, of the people concerned in the possession of State property. Secondly, there must be an understanding on the part of the community of what our community needs, and an intelligent appreciation of the fact that what the community wants for its use the community only can control. Then there must be co-operation to ensure success.

Why, if a group of persons set out, whether it be in Europe or in a village, whether the group be large or small, to try to play at, or even seriously to practise, a state of Socialism they would be surrounded with every influence, every design, every purpose of a deliberate intention to produce a state of chaos. That is why, on occasion, there have been what are called Socialist or Communist communities, which have been tried and, naturally have been a failure. Socialism, indeed, must rest upon consent, and cannot succeed on the basis of experiment, with people surrounding those experiments endeavouring, and determined, to ensure their failure.

A Labour Government in Queensland had to inherit all the limitations and defects of a capitalist system. It has been in power, and if it has been guilty of the follies cited by Sir John Simon, the answer to my right hon. Friend, surely, is, that whatever wrong there has been on the part of that Labour Government has been condoned by the electors, for the Government has gone back with a large majority.

It is alleged that any such service as we suggest should be set up, would entail, to begin with, an army of bureaucrats, and that it could not be done without enormous waste. Part of the answer, if not the whole of it, will be found in the speech of my hon. Friend the Member for Colne Valley, who gave proportions and figures showing how enormous is the number of people in this country who, naturally, have sought to escape from useful, productive service, and have got themselves employed in some kind of job more remunerative or more secure. But take the instance of the Ministry of Labour.

Bureaucrats ! Why, to-day the Minister of Labour employs 20,000 of them at an annual cost of nearly £4,000,000. What are they doing? Looking after the unemployed, scheduling them, seeing that they are properly listed and inquired into and then paying them to remain idle. That is one of the common acceptances of the system and those who defend it. It would be surely better to have a lesser number of bureaucrats employed in superintending productive work, in seeing that the unemployed earn, if not the whole, certainly some part of their living.

Your State Departments have grown enormously in the last 15 or 20 years, and yet there has been no Labour Government in power. Liberal, Tory and Coalition in turn have had authority. What is their answer to a charge, that a task of this kind, undertaken by the State, cannot be undertaken without a great army of bureaucrats having to be provided for the service? We allege that the greatest folly has been and is now being shown by resistance to claims for a reasonable change, and in giving, as has often been the case, to property-owners a power that often has been wrongly used. It is that which produces these clashes of embittered class interests, and the claim that the man who has the first right to a full share of what is going is the man who is willing to work for that share, and that the dirtier, the harder and the more dangerous the work the stronger the claim of that man.

### GROWTH OF TRUSTS.

The view commonly taken by those who hold to the existing order is that private enterprise is assailed by this Resolution. I think that there is still in this House a number of Gentlemen who called for a public inquiry in 1910, which was presided over by my right hon. Friend the Member for Northampton (Mr. McCurdy). Their Report is available for hon. Members in the Library. It shows that they discovered that 80 per cent. of the principal businesses in this Kingdom were under the control of syndicates, combines, and great aggregations of capitalists. That is the latest stage of capitalist advance which has crushed out the private trader, the brains and enterprise of the little man who wanted to keep a shop and earn a living, and who has by this system been put completely at the mercy of this big power in the trade and commerce of our country. That Report says:

We are satisfied that trade associations and combines are rapidly increasing in this country and may within no distant period exercise a paramount control over all important branches of British trade.

What chance is there for private enterprise under such a system? What chance is there for the man who begins without property, whose only capital is the labour of his hand and brain? What chance has he when confronted with the pressing competition of such great syndicates and capitalist associations? I need not quote further from that Report, though there is much more of a like kind to be found within it.

I have here a letter sent to Members of Parliament from the town clerk of the City of Manchester. Remember that the council of the City of Manchester is not a Labour or Socialist body. It consists, in the main, by a very large majority, of ex-Conservatives, and its Lord Mayor is of that party. His letter goes on to say that though the costs of labour are about 100 per cent. above the pre-War level the costs of material remain at 150 per cent. above pre-War level, and an appeal is made to Members of Parliament to find a remedy. They conclude by saying:

Houses are urgently needed by the nation, and we ask that the Government be urged to take immediate steps to combat the effect of trade rings at present existing in the building trade which will not enable the housing conditions in Manchester or elsewhere to be materially improved.

When one talks of progress in recent generations may I recall to the House the picture painted by Mr. Gladstone in this House of the conditions 80 years ago?

It is one of the most melancholy features in the social state of our country that we see beyond the possibility of denial that while there is at this moment a decrease in the consuming powers of the people, and an increase in the pressure of impoverishment and distress, there is at the same time a constant accumulation of wealth in the upper classes, and an increase in the luxuriousness of their habits and in their means of enjoyment.

That is language which applies at this moment to an even deeper degree. The conditions in regard to this wicked waste and wanton extravagance are worse, I suppose, now than at any moment in our history. They are a very pointed contribution to the destruction of the capitalist system itself. At the last election we did not conceal our detestation of that system.

We expressly appealed to the electors in our programme, which I have here, to choose between the plan which I suggest, in order to determine the social life of the people, and the plan upon which that system has rested so far, and though we have not yet received support to a degree enabling us to test that plan we take leave to remind right hon. Gentlemen opposite that for every five votes which they were able to secure we secured four. It is natural, therefore, that they should become more or less desperate at the signs which they see. We are not concerned with party successes, though parties in the main must be the instruments of betterment in changes in this country, but we are concerned about the rights of the mass of the people and especially about the rights of that great producing mass which so far has been wronged and robbed throughout the centuries.

It is for that reason that we are now asking Parliament and, through Parliament the country at large, to listen to these new views about a new order, to accept in respect to land, mines, railways, industries, the great producing agencies, the great channels of distribution, the principle that the people can be better served by the people owning and controlling these agencies than by the private possession from which too long we have suffered. If it be that this change is condemned as a failure, we answer that it has never been tried. We answer that so far as it has been tried under proper State authority for any definite State purpose, through the assent and good will of the people in the State, State ownership has succeeded whether nationally or municipally, and that we are satisfied that, given the intellectual and willing acceptance of these doctrines, they cannot possibly fail.

### MR. DAN IRVING.

Mr. IRVING said: Since this Resolution has been before the House, one has heard and read many curious things about Socialism, but one has not heard anything new. All the things said against it in this House are things which are within my memory as having been uttered against Socialism for over 40 years. I saw in one of the London dailies the other day something which did appear to be new. I thought people knew us better than they appear to do. It was said in this journal that it might well be thought that the hon. Member for Colne Valley (Mr. Snowden) could have wished that the Government had been unable to find a day for the further discussion of his Motion. I thought anyone who knew anything about Socialism or Socialists knew, as a matter of fact and not of theory, that the more Socialism is discussed the wider its area of influence grows, and the longer the period which passes the more adherents it gains. The hundreds became thousands, and the thousands are to-day



millions. I am quite aware that it will be said that not all the individual members of the Labour Party are Socialists, and may be that is so. I admit that of the millions who voted for the Labour party there must necessarily be a large proportion who are not conscious Socialists, but they are on the road. They are rebellious against the existing order of things, with which they have been content so long. It was that apathy and indifference which we sought to kill, knowing full well that if we aroused a keen interest in the condition of affairs in the State, Socialism is as inevitable as that to-morrow will follow to-day. Over 40 years ago I joined the ranks of the Socialist movement in a large city of 400,000 to 500,000 inhabitants, and we had the magnificent total of about a score. We knew the task we had set ourselves to do. We knew very well that practically all the ideas held by the ordinary people had to be got rid of. We had not merely to implant Socialist ideas in the minds of people, but we had to get rid of other ideas, and that was very largely what is described in the Scriptural phrase as being born again.

At that time there was not a Socialist, not even a Labour Member, in this House, and, probably, there were not 100 men or women of Socialist views on the whole of the local authorities throughout the Kingdom. We did not hire halls then; we had to take the traditional orange box to the street corner. We are still taking it there, because it has yet part of its usefulness to fulfil, but despite the antagonism which Socialism has to meet, despite the antagonism in church and in chapel and on political platforms, and from the capitalists as a class, despite the fact that practically the whole Press of the nation was, and is still, in the hands of our enemies, used unscrupulously in misrepresenting the idea of Socialism—despite all that opposition we are growing, and I, for one, at practically the end of a long period of life, am satisfied with the progress we have made, and I am as certain of its ultimate realisation as that I am addressing the House at the present moment. Those who attack Socialism do not seem in the first place to take the trouble to understand it, and they talk in terms which are in no sense commensurate with the facts. The right hon. Member for West Swansea (Sir A. Mond) in his speech on the last occasion said that at last we had a clear-cut issue between individualism and Socialism. Unfortunately, that is not true.

#### INDIVIDUALISM MODIFIED.

Individualism has already been so far defeated that there is no clear-cut issue between the two. The issue, though perhaps not so well understood, was economically very much more clear 50 or 60 years ago than it is to-day. You have been compelled all along the line to modify your individualist system by organisation, by combines, and by trusts, and so to take possession of the idea for which Socialism stands, while using it only for the purposes of private profit. Nevertheless, it proves that the theory of the organisation of society for which Socialism stands is correct even from the capitalist point of view, and the day is coming when the State will take that theory of organisation and work it for its own advantage.

With reference to the capitalist system as it exists to-day, I have heard a good deal this afternoon as to the improvement in the condition of the working man compared with 50 years ago. I admit the working man's condition is better. By those modifications which I have mentioned, conditions have been improved. They have not been made better by the capitalist system of society, but rather by the negation of that system to a certain extent. Take the question of national education. National education is not by any means what it ought to be, but it is

certainly an advance upon what it was in my boyhood. That is not due to the capitalist conception at all, because the capitalist conception is merely profit-making.

I hear hon. Members sometimes say what losses the capitalists have made in this or that direction. It is quite true they make losses individually, but it is not true that in the aggregate they make losses. Individual capitalists or groups of capitalists may lose, but the whole capitalist system gains, and it would cease to-morrow unless that gain were more or less assured to it. Does anyone imagine that capitalism exists for any purpose except profit? Let us take bread. If munitions of war give a higher profit than bread-making, capital flows from the making of bread into munitions of war, and so in regard to every industry that you can imagine. The people need food and clothing and house accommodation, but capitalism meets those needs only in so far as it can make a profit out of exploiting them, and if there is no profit in the exploitation, then you can starve for the lack of bread, go cold for the lack of clothing, and wander the streets for the lack of housing.

#### THE RESERVE OF LABOUR.

I have heard it said during this discussion that a good many of the things about which we are troubling have arisen out of the late War, and I have heard that said with regard to unemployment. One of my first public acts, as quite a young man, was to take part in an unemployed demonstration, not as an unemployed man, but as an organiser, and that was well over 40 years ago. There is not a thing said about unemployment to-day, as to its evil effects and as to the desirability of finding some remedy, that was not said then, and from that day to this I have been listening to politicians, who all of them at election times have pledged themselves to do something to do away with unemployment. One or other of the parties has been from that time returned to this House, and we are here to-day with the worst unemployment we have ever had in our history, at any rate, so far as I know. What has been done?

**To-day there is very little more organisation for meeting unemployment by finding work than there was 40 years ago.**

The method of taking people and taxing those in employment of their small earnings in order that they may keep other people out of employment to walk about and do nothing is worthy, I was going to say, of a lunatic asylum, but I do not think a lunatic asylum would be guilty of it, yet we contemplate it as being about the only thing we can possibly do.

What are the unemployed? A few years ago we were told in every unemployment crisis that there was a vast number who were unemployed, but to-day we scarcely ever hear that term at all. As a matter of fact, those million and a half, or, if you take the people on short time, you can well say those two millions of people who are short of employment and thus short of the things which make life possible, in any decent sense of the term, are filled with physical and mental power, skilled in hand and brain, and, if their labour were organised, could produce things for use which would very largely, if not entirely, keep them without any subsidy at all.

If you took a man like Sir Alfred Mond, and said to him: "Take this body of unemployed people, utilise the power that is in their bodies, give rein to the desire expressed in their soul that they should work for their livelihood, and apply that power and skill to the raw material which the State can find," I am certain that you would not have to find money to

keep the unemployed at all. They would go on and keep themselves, and the only reason why that is not done is because the capitalist who controls society sees very well that a national organisation commenced on these lines would inevitably spread, and drive a wedge further and further into the capitalist system, until by and by it would be helping the evolution into the new state of society.

Sir Alfred Mond said that capitalism had existed as long as the world had existed. I am bound to say that, in so far as I have read the speeches on this Motion, his was about the cleverest—and I still think it is the cleverest—that has been delivered against our position, but what speech is it? It is the speech of a political advocate pleading for his side. [AN HON. MEMBER: "What about yours?" ] I have never done so in my life.

**I am pleading for the thing that I believe to be good for the country, for you, the capitalist class, as well as for ourselves.**

I plead for the condition which will take the workman out of the position of wage slavery, and place him upon a pedestal where no man shall dare to say him nay from the point of view of earning his livelihood, and where he shall be able, as a result of earning his livelihood, to stand before God and man as the equal of his fellows. I say that Sir Alfred Mond knew better.

There is not an economist in the world who will tell you that capitalism has existed since the world began. He himself knows better. The early part of man's history, so far as I have read it, was individualism—the cave man and the man who dwelt in the tree-tops. Then came what he himself spoke of as the tribal system. Was there any capitalism about the tribal system? He also said that Socialism had existed since the beginning of the world. Somehow or other, he seems to have got mixed a bit. It is quite true that in the early stages of man primitive Communism abounded throughout the earth, and if you will examine that to-day you will find that, with all its shortcomings, it was a far more humane idea, that thought more of its people than we do, because we, to-day, very largely think nothing at all about them.

#### **CASUALTIES OF INDUSTRY.**

Your industry to-day is run purely for the purposes of profit, and you have your accidents roll growing. Deaths and maimings of workpeople employed in industry are well known by those who work in industry to be considerably heavier than they have any need to be. You run your system until there are diseases applicable to certain industries, industrial diseases peculiar to a particular industry, and that surely is a condition of things that one cannot possibly face with equanimity. I, myself, as an old railway-man, know something about railways, and I know very well that to-day, although things are better on the railway than they were, there are men killed and maimed whose lives and limbs could be saved, if not profit but the welfare of the men who work for the community were the first consideration.

Let us for a moment consider the railway a little further. We have been urging the nationalisation of the railways, and, in my humble judgment, the late Government had some intention of nationalising those railways, but they thought better of it. [MINISTERIALISTS: "Hear, hear."] Because of the opposition of the vested interests behind them, not because their judgment was wrong. And so you have the spectacle of the number of railway companies being reduced to five, I think it is. Can anyone tell me that they could not be better reduced to one, and then run with greater skill and efficiency, and at less cost, than by five?

A good deal has been said about the way in which Socialism is

coming. The hon. Member for Colne Valley (Mr. Snowden) has been taken to task for speaking of gradual evolution. How else can it come? I have heard people talk about Socialism in Russia. The people who talk of Socialism in Russia are either exhibiting their crass ignorance, or they are knaves and know better, though they will not say so. If you want to judge of the position with regard to Russia, and if you want to identify it with Socialism, how do you explain the simple fact that the Socialists of Russia have opposed the Soviet form of Government from the very beginning, and not only so, but, according to their numbers, have suffered more than others in the way of persecution, in death, in imprisonment, and in exile?

The Russian revolution was not made by Lenin and Trotsky. It was made by the bloody deeds of the Tsars of generation after generation, and no man can make a revolution. It was the outcome of the deeds of tyranny that Russia had suffered for long ages that brought about the revolution, and if we had been there we might have thought very differently about it from what we do. At any rate, no Socialist ever expected anything else would happen. You cannot have Socialism until you have a fairly sound democracy, and not only a sound form of democracy, but a fairly intelligent, educated people. That was not the case in Russia. Inevitably, the catastrophe which fell upon her came from an endeavour to put into practice that which could not possibly succeed. We in this country do not desire to do that. It would be disastrous in this country, even with its well-developed democracy, to try to shut up shop on the capitalist system to-day, and to re-establish another form of society to-morrow. Sometimes men are appalled at the magnitude of the change for which Socialism stands. I can well understand that, if they do not think round the question. If you take the earlier history of our race, if you take the tribal system and the system of to-day, you will find that there is far more difference between the existing facts of to-day and what was true then, than there would be between a Socialist state following upon a capitalist state to-day. It has always been so in every change of human society. In the capitalist state of to-day, the very modifications that are continually put before us as necessary indicate in a thousand and one directions the line of advance on which society is going to-morrow.

#### **SOCIALISM AND HUMAN NATURE.**

We are told that Socialism is impossible from the standpoint of human nature. One hon. Member said that no one would work unless he was assured of that for which he worked. The hon. Member must have misunderstood the facts of life. Millions upon millions of people work, but do not get what they earn. If they did, there would not be any profit. If a man got really what he earns, what would there be left for anybody else? Only in so far as your capitalist system organises its industry on the main lines of a huge factory, where you can get thousands of workpeople, and you take out of them full value and only pay them a small part of what they produce, do you get your profit. I am not one of those who disbelieves in human nature. I have a profound faith in human nature, and that faith is very largely based upon what I know of it in myself. That may sound egotistical. You can think so if you like; but I can honestly say that ever since I took up this work it has been my endeavour not to work in my own interests, because it was not in my own interests, but I have striven, as far as one man can strive, to convert people to this doctrine. My desire and our interest is to bring about Socialism which will do away with competition for daily bread. That is all your competitive system means, a struggle for bread, and that always

eventuates in evil results. We want to bring the principle of co-operation into being, where men will strive for the good of the community, themselves included.

I have spent a good many years of my life at sea, and from my knowledge of men at sea in those days I know that from the time that they left the shipping office till they came back and drew their money, they thought very little about their wages. Any man on board ship in those days (I do not know about to-day) who did not pull his weight, merely because he was not getting a sufficient wage, would be speedily in bad odour with his shipmates, because there was a sense of common life, of common humanity, and a realisation that each man's life, more or less, depended upon the faithfulness of the work that his fellows did. I feel that in myself. I have had many instances in mind where human beings have willingly put aside their own interests and have indeed given their lives for the good of others—often people who had no real claim on such sacrifice. Therefore, I can realise the possibility of mankind in the mass being affected by his surroundings and rising into a very much higher altitude of humanity and of love for his fellows than at the present time.

#### AIM OF THE EMPLOYER.

Hon. Members must know that in the ordinary capitalist industry the aim of the employer is to get as much as possible out of the man. When workmen have had to struggle for modifications of their bad conditions, they find resistance to increased pay, to decreased hours, to the fencing of machinery, and to the making of industries safe, because it costs money. They have had to meet this for generations. Do you suppose that it has not had an effect upon them? How can you expect that when greater freedom does come to them, they in their turn shall not express their feelings in some kind of selfishness? We are told that we cannot produce equality, equality of brain, and so on. That surely is an old story.

#### What we can produce, and what we are seeking to produce, is equality of opportunity.

We shall leave the initiative, the energy and the vigour of the individual to find its own level, but we seek that individual opportunity under which the individual will be able to earn his livelihood, and no one will possess the power to take it from him.

I was once pleading with a lady friend of mine for a palatial school for the children in the town in which I lived. She said, "That is all very well; but, whilst I am with you, so far as putting up a proper school goes, I do not see why I should be called upon to pay for those things which are not essential." I said, "My lady, think what the education of your children cost." She replied, "Yes, but we paid for our children's education, and now you are asking us to pay for others as well." I said, "Is that true? Supposing I beg, borrow or steal £100,000, and I invest it in a railway company. Being a young married man, with four or five children, I should have sufficient means to have my children looked after, so my wife and myself will travel the world. We travel for 20 or 30 years. During that time, how much of human service shall we have consumed? Coming home, I think of the £100,000, and I say to myself, 'It will be getting smaller by this time. I will make inquiry from the railway company, and see how much is left, so that we shall not have to go to the workhouse.' Lo, and behold, when I go to the railway company I find that the £100,000 is now £110,000, after I have been spending for all these years. Apply that to wages and see where the wages

will go. What is your answer to that proposition, my lady?" I asked. She laughed. I said, "May I supply the answer?" She said, "Yes, if you like." I said, "Would not my children, my wife and myself have been maintained all these years out of the unpaid services of the men who run the railway?" She was much more honest than most capitalists, and she said, "Yes, I am afraid that is true." You cannot imagine any other proposition.

Talk about your moral society, where men for generations have done no work, and do not intend to do any, and who under your system can go on, with their people, for hundreds of years, predestined to live, not merely upon you, but upon you and your children's children, generation after generation! If you reduce that down to small proportions such as you could see in your home, what would be the result where there is half a dozen of you? Let one of the half dozen say, "No, I am not going to work. I am going to be a landlord." Let another say, "I am not going to work, I am a capitalist." The other four would say, "If you do not do your share of the work you get outside." Surely any man with sense must know that as far as material things are concerned, the man who does not produce has nothing wherewith to pay in honour and decency for that which he consumes.

A good deal of what has been voiced this afternoon I have heard in this House a hundred times. Hon. Members have asked the question, "Where are you going to sell the stuff that you make?" It never seems to strike hon. Members opposite that you can eat the food you grow, that you can wear the clothing you yourselves make, and that you yourselves can dwell in the houses that you put up. Surely that is the proposition for which Socialism stands. It does not stand for making houses, and clothing, and growing food, and selling these things in order to make a profit out of them, and then going and getting your livelihood by spending that profit. It simply means that the more people under Socialism you can have to work you will not have a worse but a better community, for many hands make light work.

Hon. Members opposite do not mean to tell me they do not at the bottom of their hearts know that the million and a half people who are out of work to-day, properly organised and given the opportunity, could produce enough to keep not merely the million and a half, but two millions and a half on the basis of to-day's requirements? "Let us get back to the days before the War" it is urged by some. You will never get back to the days before the War, any more than you will get back to yesterday. Conditions are such to-day, whatever may have been the case in the past, as to the possibility of providing sufficient for all, that matters are looked at in a different light. Even men like Lord Leverhulme in England and Ford in America would say the same, and they are, at least, men who know, and they know very well that our powers of production have outstripped in any possible imagination our powers of consumption. What I want to do is to bring the two together, and not perpetuate this artificial system where money intervenes, and where food, raiment, and shelter are produced by those who are unable to enjoy them.

#### MR. ARTHUR HENDERSON.

Most of the speeches we have listened to indicate an indisposition to face the full facts of the present situation. It is true that Mr. Lloyd George, with his usual fire and pathos and eloquence, did in one part of his speech face up to the situation. We who have worked with him and known him in the House, as I have done for 20 years, would have been surprised if he had not regaled us with the passionate Welsh

rhetoric that characterises his speeches, more particularly when dealing with a subject such as that before the House to-day. For instance, it might have been well if he had repeated one of the perorations that he gave at Manchester a couple of years or more ago. On that occasion he used these words:

The old world is crumbling before our eyes. No effort can shore it up much longer. If there be any who feel inclined to maintain it, let them beware lest it fall upon them and their households in ruin.

I think that would have gone down well. At any rate I think it would have chilled to the bone some hon. Members opposite who cheered when he began his speech, but who gradually sank down to zero as he pictured the existing social and economic situation.

I was interested to notice that at the close of his speech he was audacious enough—that is a word he himself has used on more than one occasion—to suggest another inquiry. May I say, without any desire to give offence, that no Prime Minister in my lifetime has appointed so many inquiries as the right hon. Gentleman has. May I remind the House of two? I remember, just after his party came into power in 1906 with an unprecedented majority, there was a considerable feeling in the country with regard to the use which was being made of the canals and waterways. A Royal Commission was appointed by him. It took no less than five years to make its inquiry. This Commission made an excellent Report, but it has lain dormant until this moment, in spite of the fact that he occupied the supreme position in the political life of the country for a long period—he has been associated with Government probably longer than any statesman that we have in the country to-day.

But that is not the only inquiry he set on foot. He appointed a Royal Commission to deal with the great mining industry. It was a searching inquiry. There was the most startling evidence. It was presided over by one of our most capable judges, and the mining industry—at any rate, the working section of it—were led to believe that the right hon. Gentleman would at once proceed to put its recommendations into operation. The disaster—no milder term can be used—which has come upon the mining industry is very largely due to the right hon. Gentleman's failure to put the recommendations of the Sankey Commission into operation. Yet he once more suggests that the way out of this trouble is to have an inquiry into the unrest!

#### **RADICAL REFORM NEEDED.**

We know, too well, the causes of the inequalities and injustices that exist in our social and economic life to-day, and while there have been changes—and there may have been, to some extent, improvement—we have no hesitation in saying that if you are to remove those inequalities and injustices you will have to go much deeper down than has been attempted by any Government up to now.

Sir John Simon has made a speech which gladdened the heart of every capitalist in this House. He seemed to me to be very difficult to please, for in one part of his speech he expressed his dissatisfaction with what could be described as the all-or-nothing policy of Russia, and he seemed equally displeased at the policy of gradual change which our Motion proposes. When politicians, for mere debating purposes are so difficult to please as that, we can only come to the conclusion that he was filling up the time, as the leading spokesman of his party, in this way, instead of telling the House what the Liberals are prepared to do in order to bring relief from the very serious position in which multitudes of our people find themselves to-day.

It has been hinted that the Motion is in the nature of a surprise. It

has been asserted that the policy under discussion represents an entirely new position so far as we and the organised Labour movement are concerned. It has also been suggested that the rank and file whom we represent do not stand for the policy expressed in the Motion, or, if they do, that great pains have been taken to keep the fact from the knowledge of the public, especially at election times. I want to meet that position right away. It is a totally erroneous impression of where Labour stands. The industrial and the political sections of our movement have protested publicly for many years against the wide disparities in social life due to the unjust and unequal distribution of wealth. We have advocated radical changes in the organisation of the industrial system.

I remember being at my first Trades Union Congress 29 years ago, and that Congress, which, I think, hon. Members opposite would admit has always been regarded as a cautious body, declared that in certain fundamental respects the organisation of society and industry was gravely defective, and that drastic changes were necessary. Year after year the Congress has continued to express itself in condemnation of the existing system.

#### **LABOUR PARTY CONSTITUTION.**

But that is not all. The political wing of the Labour movement has also expressed itself in favour of great changes. I daresay that many hon. Members opposite, when they were first becoming candidates, bought our pamphlet, "Labour and the New Social Order." We declared in favour of a new social order because we recognised that the present individualistic system confers unmerited privileges on the few at the expense of acute and undeserved hardships for the many. In order to show that there is no surprise, may I trouble the House with a quotation from the constitution of the Labour Party? This is a printed document open to the public. Any Member of the House can purchase a copy for a few coppers. That document has declared officially and authoritatively the Labour policy to be as follows:

To secure for the producers by hand or by brain the full fruits of their industry and the most equitable distribution thereof which may be possible upon the basis of the common ownership of the means of production and the best obtainable system of public administration and control of each industry or service. We may be wrong, but we must not have the charge made against us that we are hiding anything. The next paragraph in the same printed constitution says:

Generally to promote the political, social, and economic emancipation of the people, and more particularly of those who depend directly upon their exertions by hand or by brain for the means of life.

These have been the objects of the Labour Party since the middle of 1917, and I hope we shall hear no more in this Debate about having sprung a surprise.

I want to go further and to say that it was upon this constitution that we contested the General Election in 1918 when we secured a vote of 2,300,000. We also fought on this constitution in 1922, when, as Mr. Lloyd George correctly said, we polled 4,250,000 votes. So much then for the suggestion that, in moving this Motion, we are disclosing what have been secret projects hitherto, and that we are advocating a policy that has not been approved by both the industrial and the political wings of Labour.

Some surprise has been expressed that the Labour Party should so differentiate itself definitely and frankly from the older political parties so far as these problems or organised society are concerned. The answer to that criticism is a simple one. The older political parties admit, as many speakers have done during this Debate, the hardships and the

grievances. In some instances they are even prepared to denounce the notorious inequalities of the existing conditions. We frankly concede that many of these Members are moved by a genuine sympathy with the innocent victims of the system which they themselves are working. Where we differ from them is that they prefer to risk the perpetuation of the social wrongs. They are prepared to continue the economic injustices rather than carry through the necessary fundamental changes in the organisation and government of society and industry. Mr. Lloyd George once declared that if he were convinced that the evils of the kind he specified—hunger, privation, suffering and want—were inseparable from the existing order of things, he would take to the crowbar himself. The right hon. Gentleman is of opinion, and I am afraid that the opinion is shared by most hon. Members—Conservative and Liberal—that the deplorable results of the present system are not inherent in that system, but are due to defects and faults that can be remedied without making any fundamental change. The Labour party, on the other hand, is convinced that however much the capitalist system may be improved there are still formidable evils that cannot be eradicated, even if it were possible to mitigate their effects. This represents the fundamental difference between those of us who to-night will support this Motion in the Lobby, and those who, on one pretext and another, will go into the Lobby against it.

Labour indicts the capitalist system because that system condemns large numbers of honest, decent, self-respecting and law-abiding citizens to long periods of undeserved and unrelieved misery, and to conditions of life which any person with a spark of human feeling would not attempt to defend as tolerable, let alone as just.

#### **Labour challenges the existing order on the ground of its direct responsibility for unemployment.**

Anyone who has worked under the capitalist system, or who knows anything of the industrial and economic history of this country, must be prepared to admit that production for profit requires a reserve army of producers, and has them, without making proper provision for the human needs of that reserve. Does not all experience go to show that this reserve army can be drawn upon when trade is good and labour is needed, and that when trade depression begins to assert itself, and these workers are no longer required, they are rendered compulsorily idle, irrespective of length of service and irrespective of domestic obligations; and can be, and are, used to depress the working conditions of the remaining producers whose services have not yet been dispensed with.

#### **A DOOMED SYSTEM.**

It must be remembered that this is done without any adequate provision for maintaining this reserve of industry in proper physical and mental condition. Such provision as is made is to a considerable extent undertaken by the workers themselves through their trade unions. I challenge contradiction on that point. It is quite true—we want to state the case absolutely fairly—that this provision has been supplemented in recent years by contributions from employers and the State to the National Unemployment Insurance Fund. But the fact is that the producers themselves bear, in addition to the unemployment, the main burden of the cost of the whole unemployed in this country.

Under the existing system the fear of unemployment and the absence of security are a constant and real menace to the well-being, comfort and happiness of multitudes of the working classes. Is it not correct to say that without warning, and through no fault of their own, the workers can be reduced to penury, and in entire districts can be rendered

destitute by economic causes entirely beyond their control? This position has to be frankly admitted, and in view of this it is positively amazing that in spite of their enthusiastic championship of the capitalist system the older political parties have never, in my opinion, made, nor have they compelled organised industry to make, proper provision for the maintenance of the unemployed and the under-employed victims of the existing capitalist system. In our opinion the undeserved misery, the industrial uncertainty, the social degradation, which inevitably follow, and the economic risk and loss which are imposed upon industrious and self-respecting citizens, can be substantially reduced, if not actually avoided, under an efficient and scientifically-organised industrial system. An economic system which fails to provide all the members of society with a fair and reasonable opportunity to secure the material means to live a useful, healthy, social life stands self-condemned. On the other hand, we believe that the resources of the nation, under a properly organised society, and with the elimination of many forms of waste, could give a reasonable standard of life to every citizen.

There is another objection which many workers feel towards the capitalist system. They regard industry as now organised as a form of class rule, a privileged autocracy, inconsistent with the social and economic responsibility of the producers, and opposed to the spirit of real democracy. These workers feel that because of their economic dependence on the functioning of industry, they are expected to accede to a state of subservience and a state of subordination in relation to the owners of capitalistic concerns which is utterly out of harmony with the modern conception of personal freedom and democratic right. We do not ignore or under-estimate the difficulties arising from vested interests or from the conservative character of the British people, both of which must be overcome before our policy can be put into successful operation. We realise that every great change in national and local government has only been made after many years of persistent advocacy, and after all prejudices against the change, and the hostility of its opponents, have been constitutionally overcome. We also appreciate the obstacles which must be overcome because of the misrepresentation constantly associated with municipal and collective effort. We have heard some of this misrepresentation during the present Debate.

#### **WHEN INDIVIDUALISM FAILED.**

We frankly admit that a great deal depends upon the character, the education, the disposition, and the confidence of the British people. We are prepared to face this situation. We do not overlook the fact that when we do obtain improved education, when our people have a clear vision of the existing social and economic extremes of life, the desire for those very drastic changes upon which the Motion is based will be deepened. Character, education and a clearer recognition of the sacredness of personality demand a freer status for the worker and a fairer distribution of the fruits of industry. The Labour Party firmly believe that a more efficient and just organisation of the nation's enterprise would mean greater national production, greater liberty for the people, and a fuller opportunity for the individual to enjoy a higher standard of both security and comfort.

In spite of the criticism against different forms of collective effort we remember that this country—and I would like to bring this point home to hon. Gentlemen opposite—could not risk the chance of coming safely through the greatest crisis in its history by depending solely upon private enterprise. It may safely be said that it was collective effort and not

individualist enterprise which enabled the nation to emerge successfully from the ordeal of destructive conflict. Then again we are encouraged, in spite of the sneers to which we have listened this afternoon, by what has been done by some of our Dominions, by our municipalities, and by the great co-operative movement. The general success that has attended these efforts cannot be denied, despite the citation of this or that specific failure from a purely financial point of view.

Mr. Lloyd George once said that if he could be convinced that the various social evils were inherent in the system he would be ready to use the crowbar. I want to make clear that it will be a grievous mistake for this House to assume that Labour in this country at any time proposes to use the crowbar method in order to realise its aims.

**We desire not to destroy but to transform, not to disorganise but to reorganise.**

We appreciate the fact that the progress, from private to public ownership, from individual enterprise to collective enterprise, must be gradual and constitutional. Our programme of constructive Socialism can only be realised if our efforts are founded upon the intelligent conviction and the faith of an enlightened public opinion. Except by the general support of the community such a reorganisation as that which we contemplate cannot be imposed upon a nation. It can only be secured with the approval and by the help of the mass of the people.

I would ask what is the alternative to the Socialist policy? Are we to maintain, with prudent modifications and alterations only, the present industrial system in perpetuity. To admit that, in my judgment, would be to pay the present system too great a compliment. I for one do not believe that this system is sacrosanct, that it was handed down to us with the tables of stone, or so perfect that it must continue until the millennium.

After it has extended through a period during which the material wealth of the nation has been increased to an amazing extent, the capitalist system, I assert, has failed to make life tolerable for multitudes of decent citizens. It has failed to produce a well-fed, properly-housed, physically-fit and contented people, it has failed to organise international life on a stable basis of peace, it has failed to solve the hundred-and-one problems which are a constant menace to human life. From its inception, when the application of science changed the process of manufacture and ushered in an era of large-scale production, the system of producing for profit has been modified and made subject to increasing legislation and administrative control. Modifications came in the early days of its history, through the Factory Acts, through increasing the powers of local authorities and through legislation in dealing with monopolies.

#### **PALLIATIVES—NOT REMEDIES.**

These protective measures have been largely restrictions of the worst evils of the present capitalist system. They have been provided in order that they might protect the workers from the very evils which the opponents of this Motion maintain are not inherent in the system, but are merely incidental to that system. But despite protective measures, these evils continue to a tremendous extent. They will continue so long as the present system persists. They are as much part of that system as the motive of private gain itself. Is a continuance and extension of restrictions all that we have to look for? We do not deny that much has been done to relieve the social and economic hardships of the masses of the people. Many efforts are on record to the credit of Parliament. Many employers have been well disposed towards their workpeople, but at best most of these efforts have been palliatives rather than remedies. What a striking commentary they afford on the existing

industrial system, that legislative and administrative effort has been so necessary from the very beginning until now in order to safeguard the toilers' interests, and make their working conditions something like tolerable!

Whatever changes have been made, whatever improvements have been attempted, whatever safeguards have been secured, they have not kept pace with the development of social and economic consciousness among the workers. Therefore a considerable number of wage-earners feel that social life and economic and industrial conditions are out of keeping to-day with their responsibilities. I ask seriously, what has Parliament to say to these people? What have those Members who are going to oppose this Motion in the Lobby to put in place of our policy?

**The workers of this country will not remain indefinitely the docile victims of the operation of what is called the law of supply and demand.**

We must have such a reorganisation of our industrial system as will secure an adequate minimum standard of comfort for all, give to the workers a fair share in the direction of the industry by which they live, and an effective voice determining the conditions of employment. We must have a system which will give, if not continuity of employment, at least security of livelihood for all. After all is said and done, what is the true test of any industrial system? The true test is not merely the amount of wealth produced, important as that may be; it is the recognition of, and the provision for, the human factor, the provision of a fair and equitable distribution of the results of production such as will make a healthy, wholesome, and contented life possible for every citizen.

In our judgment the task of Parliament and Governments is to secure in a greater measure the confidence, the good will, and the cordial co-operation of the workers in the enterprises by which the nation lives. This, we are convinced, cannot be secured so long as the workers feel that they are in a position of economic inferiority and subordination, the over-worked and under-paid victims of private enterprise, which in its operations (with certain honourable exceptions) means private greed. If we would extend national production, if we would raise the standard of security and comfort, we must reorganise industry in such a way that we may convince the workers that their energies are being used as a contribution to the enrichment of the entire country. That is the object of the Motion now before the House.

#### **THE CAPITALIST PARTY.**

We are not going to be moved from our position by the alternate ridicule and abuse to which the Labour Party and its policy are subjected by many of those who differ from us. In these days it is becoming quite fashionable to refer to the Labour Party as the Socialist Party. I might pertinently inquire why the party opposed to us do not call themselves the Capitalist Party.

We do not seek to escape in any way from the responsible position which we have taken up by attaching our names to the Motion before the House. Socialism is simply an economic system, as capitalism is. It is a scheme for the organisation of society and public service on a collectivist basis, instead of, as now, on an individualist basis. Its motive is human well-being instead of the present motive of personal profit, and its method is co-operation instead of competitive exploitation. That is the position for which we made ourselves responsible at the last Election. I hope it will be the position for which we will make ourselves responsible at the next Election. We will be prepared to abide by the decision of the electorate. If they are not ready at the next time of asking, the progress we have made since 1918 is a clear indication that it will not be long before they will be prepared.



## MR. RAMSAY MACDONALD

MR. MACDONALD said: We have listened to a series of speeches which have been very illuminating, and not the least illuminating is the last speech—that of my right hon. Friend (Mr. Amery). His speech made me melancholy. I remember the right hon. Gentleman something like a quarter of a century ago, I am sorry to say. In those days he would not have made the speech which he has made to-night—not from the point of view of conclusion, but from the point of view of understanding his subject. In those days when he was nibbling at Socialism, Mr. Amery would never for five minutes have risen and suggested, even to the Oxford Union—to say nothing of this House—that the only conception of Socialism held by us is a great State bureaucracy, and that the only method of controlling national industry is by this House increasing the number of its Supply days. My right hon. Friend has gained in imagination what he has lost in accuracy of knowledge of the Socialist movement and Socialist aims. I thought that at the last Election hon. Members and the candidates who stood with them were hitting below the belt when they produced bill after bill and statement after statement about us. I am more charitably inclined after having listened to the Debate to-day. So far as I am concerned, they do not know where my belt is, and if they hit below I cannot exactly blame them.

There is one curious thing about this Debate:

**There has not been a single speaker who has defended capitalism.**

The one who came nearest was Sir John Simon, but he was so anxious to get cheers from the Government side that he forgot to get cheers from his own colleagues. I shall deal with him in a minute. But I repeat that here in this House the great capitalist party is ranged in front of us, and not a single speaker has got up to give an unqualified defence of capitalism. Even Mr. Lloyd George did not do so, in the extraordinary picture he gave us of the world fit for heroes to live in—that new and very much revised version of what was to happen after the War. Even he, in words (with which I have been so often familiar) of solemn warning of the terrible things that were to come, wagged his finger at the Government Benches and said: "I have warned you. You must appoint a commission to inquire."

## TRANSFORMATION OF SOCIETY.

I put this to Sir John Simon: Why is it necessary, not only for him but for others, to build up a reply to Socialism on the assumption that the Socialist is going to abolish the present state of society? Why is it necessary to use the expression "violent overthrow" as used by the right hon. Gentleman opposite? Read the Motion. Supposing we are to transform instead of to abolish. As a matter of fact, the word "transform," used instead of the words "abolish" or "violently overthrow" changes the whole aspect, the whole method, of the change from capitalism to Socialism, and knocks nine-tenths of the arguments used to-day against us completely on the head.

My right hon. Friend gave the example of Queensland. Why—if all those crimes which he described were committed—why has it come about that at the election the other day this criminal Queensland Labour Party has been returned with an increased majority?

Mr. Amery, elaborating that point of his about the bureaucracy, had an idea that under Socialism some great central body is going to sit in London and control all the production of the country. Is not that very largely true now? What about all your trusts, all your federations of industry, what about all your organisations of employers? [A TORY: "Free!"] Nominally, it may be, but there is the control. The right

hon. Gentleman did not talk about freedom; it was simply the question of the organisation. I do not like it. I am opposed to it. As a matter of fact, there is going to be very little bureaucracy under Socialism. [TORIES: "Oh!"] I regret very much if I am disappointing hon. Members, but they had better keep their minds very much closed if they are not going to be disappointed when they understand—that they have been talking about so much without apparently understanding—that Socialism does not mean a State bureaucracy.

What is the alternative? Is the right hon. Gentleman's alternative the Budget he has just prepared? Is his alternative a subsidy for agriculture and landlordism, on the one hand, with the abolition of agricultural wages boards on the other? I do not know that he will admit that, but, as a matter of fact, that is his alternative, and that alternative is inherent in the system, and every time you have a capitalist Government on that side of the House, that is the legislation you produce, whilst you can make any speeches you like about your intentions.

The question has been put several times as to whether the evils to which we have drawn attention are inherent, are essential features of capitalism. The right hon. Member for Carnarvon Boroughs told us, in painting that dark picture of his, that you could patch it here, and patch it there. He was following again in the footsteps of his great prototype, Prince Bismarck, whose great discovery about 50 years ago was to stave off Socialism by giving little doses of Socialism to the German people. Our contention is that these evils are inherent in the system, and you cannot get them out of it so long as it lasts.

## CAPITALISM AND COMPETITION.

Can anyone tell me how you are going to avoid trusts under Capitalism? Can anyone tell me how you are going to avoid monopoly under Capitalism? Hon. Members imagine that competition is a feature of Capitalism—nothing of the kind. What happens is that you open with competition, you go on with federated businesses, you go on accumulating more capital, uniting more and more independent concerns, until at last, on the other side, by agreements like those holding the building trades, or by actual federations and united masses of capital, you bring about, under a system of Capitalism, the death of competition and a widespread system of trusts and monopoly that make the community an absolute victim.

The course of that has been shown since the War in particular. The producing and consuming community has to bear the burden of excessive over-capitalisation. If a 5 per cent. dividend be increased to 10 per cent., the extra 5 per cent. is immediately capitalised, and is fixed, not as a reward for ability, nor as a reward for labour, but as a permanent reward for capital. Capital by itself, by its own valuation, creates an economic machine which inevitably dominates the life of the community in the interests of its own profit. That is not all. The hon. Member for the City of London (Mr. Grenfell) in his very interesting speech, laid special emphasis on 'ca' canny. Is there only 'ca' canny on one side? I have never written or spoken a word in favour of 'ca' canny, and I never will. Yes, but what is going on. Is it only the day labourer, is it only the workman who is 'ca' cannying now?

**There is not a single product of any importance or of any general consumption but is being cornered, limited in its production by the capitalist in order to reduce supplies.**

Take cotton. Take timber. Take copper. Take rubber. Take tea.

Take coffee. Take sugar. Why was not the tax taken off sugar by the Budget?

Take the question of building material. The Government appointed Committee after Committee to consider the effect of cornering upon important articles of consumption. What did a Committee say about building materials?

By a pooling arrangement the National Light Castings Association penalises any member who increases his output, and rewards any member who reduces his output relative to the rest.

Why do not hon. Members opposite cheer that? Why do they not ask for proof? I will give them some more. The Committee refers to this arrangement, this "ca' canny" on the part of monopolists—as tending to restrict total output, to stereotype the lay-out of the industry and to retard the improvement of efficiency. They consider it to be contrary to the public interest.

That is good enough for me. So far as argument goes, I am perfectly satisfied that the capitalist system has to be supplanted by Socialism, because the latter is the better form of public utility.

### CA' CANNY IS CAPITALISTIC.

Another point. "Ca' canny" is essentially capitalistic. It is the study of capitalist methods. It is the example given them by employers that has spread the idea amongst workmen that it is economical for them to withhold their labour, that if you give a man 20s. and he wants 25s., and he considers 25s. is the right figure that he should have—that is in the way of bargaining under the immoral system upon which capitalism is based—then the workmen say: "If we believe 25s. is right, and you only give us 20s., we will only give you 20s. worth of work in return; we will see that you do not get the best of the bargain, or that you only get from us what you pay wages for." I say I do not like it. It is not my idea of production. But nobody who defends capitalism, nobody who defends profiteering, nobody who says that there is a price placed upon everything determined by the law of supply and demand—nobody who holds that view—can withhold the application of exactly the same principle to the men who adopt the principle of "ca' canny" because they believe their wages are too small, and that by withholding labour they will give work to their fellow workmen.

That is not all. Capitalism must always secure insecurity—insecurity of labour, insecurity of supply. I do not want to give mere abstract argument—what I say I want to give authority for, authority that hon. Members opposite will not deny. *The Iron and Coal Trades Review* in its issue of 8th June, has the following in a leading article on "Industrial Fuel Supplies":

It is exceedingly difficult to take advantage of a seller's market without causing inconvenience somewhere; indeed, a continued assurance of supplies all round would reduce trading to a monotonous routine from which healthy speculation and general business acumen would be largely excluded.

There is no question there, save in the words used or in the turn of the sentence, but that it is essential that capitalism should have what they suggest. If you supply a steady flow of raw material, take away the risks, then, says this journal, "You are damaging capitalism because you are taking away the incentive to efficient work!"

### FOREIGN TRADE.

We have had another question put to us and it is "What are you going to do when you take over industry with all those wonderful men who apply their brains to our foreign markets?" Does the right hon.

Gentleman who asked that question think that we shall kill them? We shall keep them at their jobs. What happens to-day? Does the right hon. Gentleman believe the statement that these wonderful agents are their own employers? Of course they are not, because they are as much the paid servants of the company that employs them as the staff he employs at the Admiralty are the paid servants of the State. Would the right hon. Gentleman like to run the Admiralty as a private venture, and if not, why not? The fact of the matter is that the business brain of the community is hired by the capitalist and it is not the capitalists themselves who do the work.

I was very sorry that I did not hear Sir Alfred Mond's speech. I had the pleasure of knowing something about the relative of his to whom he referred. The country owes him much. But Sir Alfred knows as well as I know, that in the development of the Royal Institution his father got very little for all those experiments which he financed on the liquefaction of air and the use of low temperature gases. What did he get? Nothing. He did it because he was interested in science, because his heart was in that work, and the reason why we owe him so much to-day in regard to the application of physical science to industry is not because he was wealthy, but because, like every other man who has advanced knowledge and advanced human righteousness, his heart was right, and it was not merely because his pocket was full.

### "WE HAVE NO LIBERTY!"

I object to the human spirit being limited and confined in its freedom by embattled economic power such as capitalism affords to-day. Talk about liberty to-day. Why, we have not got a whiff of liberty yet. The great mass of our people are not free to choose a destiny for their own children, and to live lives that would be good lives. The great mass of our people are not free to say what they like and to think what they like. I object most strongly to this domination of materialism, which is capitalism, over life, absolutely. Moreover, what is the great problem we have all got to face? I say it is the problem of production to begin with. What is the appeal of capitalism for more production? Absolutely nothing at all. It cannot be the appeal of property.

Sir John Simon told us, earlier in the day, that he wanted a society based upon thrift, upon income, and that sort of thing. He did not describe capitalism when he used these words. He described a purely fanciful state of society. Capitalism cannot appeal to our people to produce on a basis of property, because 99 per cent. of our people have no property worth talking about. We cannot appeal to them; we want some stimulus much different from that.

The hon. Member for the City of London (Mr. Grenfell) referred to Georgia. I wish I could tell fully of a very touching, very illuminating experience I had when I was there. I went to the mines, up in the Caucasus, which had just been nationalised. Before that they were the scene of turbulence. Production was going down, and lawlessness and disorder were rife. They had settled down and were quiet. I asked the leader of all the troubles what was the difference between the old state and the new. He said: "In the old state we used to work from here"—touching his shoulder—"to there"—pointing to the end of his pick—"because then we worked for capitalists. In the new state, when we think of the children who are enjoying our coal in Tiflis, we not only work from the shoulder to the pick, but we work with our hearts as well."

That is my experience. [Some Tory laughter.] I am one of those people who do not laugh at that. I am one of those people who say to



hon. Members opposite, and to my hon. Friends that until you can enlist the soul of your worker you are neither going to have duty coming from his heart nor amplitude coming from his efforts.

Capitalists cannot lift the man up to that; they may give him big positions and managing posts, but this is gross materialism which moth and dust doth corrupt and which thieves break through and steal, and until society has discovered that fine, impalpable, spiritual effort it will never solve this great problem of production. So far as one can see, nothing can do that except Socialism. Capitalism will never do it. I wanted to say a few words on the position of parties, but it is impossible in the time left me.

**There are only two parties in politics to-day—the Capitalist Party and the Labour and Socialist Party.**

Sir John Simon has tried to get into a sort of half-way house. His half-way house is on wheels. It always moves forward when he likes, and nobody will be in the Socialist camp sooner than my right hon. Friend when that camp becomes popular. The very things he talked about, the legislation passed by the Liberal Party, what does it come to? There is not one single thing, with the exception, perhaps, of education, that spontaneously came from that party. I will conclude with one quotation from a Liberal leader who is still with us, but having no pride of place in the party to which he belongs. Lord Morley, in resigning the editorship of *The Fortnightly Review*, wrote a valedictory which contained this sentence:

We shall need to see great schools before we can make sure of powerful parties. Meanwhile, whatever gives freedom and variety to thought, and earnestness to men's interests in the world, must contribute to a good end.

That is my creed. That is my faith. That is why I am in favour of Socialism.

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